



- » **Avoid the expense of recruiting, hiring, and training new employees.**
- » **Keep your skilled workforce intact, while also saving on payroll costs.**
- » **Employees are spared the hardship of full unemployment.**
- » **The Shared Work Program saves jobs and money.**

RCW 50.60.010 Legislative Intent

In order to provide an economic climate conducive to the retention of skilled workers in industries adversely affected by general economic downturns and to supplement depressed buying power of employees affected by such downturns, the legislature finds that the public interest would be served by the enactment of laws providing greater flexibility in the payment of unemployment benefits in situations where qualified employers elect to retain employees at reduced hours rather than instituting layoffs.

The Department of Labor did not intend for short-time Shared Work Compensation Programs to address long-term economic conditions. Accordingly, the law provides for a maximum plan duration of 52 weeks.

Shared Work Plans are also not intended to address variations in economic activities that are an inherent part of the industry or business.

The program cannot be used to subsidize seasonal employers during the off season or employers who have traditionally used part-time employees.

Save Money

You retain skilled employees and are spared the expenses of recruiting, hiring, and training new employees. Payroll savings are also realized.

Everyone Works

Your employees are spared the hardships of full unemployment. While working a reduced number of hours, participating employees collect a percentage of their weekly unemployment benefits equal to the percent their weekly work hours were reduced. Consequently, they net *more* income than if they had been fully laid off.

Keep your Workforce Intact

Instead of laying off full time skilled employees during an economic downturn, you can reduce the hours of *all* participating employees. You can then gear up quickly when business improves.

Shared Work Plans are Flexible

Your plan can involve all your employees, however, at least 10% of your employees in a particular location, division, or section of your company must participate. The division/section(s) included in your plan are referred to as “units”.

Eligibility

For Employers...

Any employer may participate, from large corporations to businesses with only one employee. However to be approved, an employer must also have been a registered business in Washington State for at least six months, prior to applying for the Shared Work Program.

For Employees...

To participate in the Shared Work Program an employee must:

- Be a full time hourly employee,
- Have worked at least 460 hours for the Shared Work employer in the calendar quarter preceding the quarter in which the employer applied for Shared Work,
- Be eligible for unemployment benefits by having worked at least 680 hours during the base year. (*The base year is the first four of the last five completed calendar quarters, prior to the quarter in which an unemployment claim is filed*); and
- Be able and available to work.

The Specifics

Length of Plan

You decide the length of the plan. However, your plan cannot be in effect for more than 52 weeks.

An employer can request a plan to be less than 52 weeks depending on the employer's needs.

- Plans approved for fewer than 52 weeks count as one plan.

Reapplying

- If your Shared Work plan expires, and you need to reapply, you must complete a new Shared Work Compensation Plan Application and a Shared Work Compensation Plan Participant List.

- If you wish to have back to back Shared Work Plans, you must apply no later than 45 days before your current plan expires.
- Each Shared Work Compensation Plan Application is reviewed on its own merits. A previous plan approval does not mean a subsequent plan will automatically be approved.
- Upon the expiration date of your second Shared Work Plan, at least 12 months must elapse before a new Shared Work Plan can be considered.

Reductions in Work Hours

To receive a Shared Work benefit payment, the usual weekly hours of work for a full time employee must be reduced by at least 10%, but not more than 50%. For example: a full time 40 hour employee's hours must be reduced by at least 4 hours, but not more than 20 hours.

The reduction of work hours **must** affect at least 10 percent of the full time employees in a work unit. However, 100 percent of the full time employees may have their work hours reduced.

Fringe Benefits

Health benefit coverage to participating employees **must** continue as though their work hours had not been reduced.

Other Requirements

The collective bargaining agent (union) representing any employee in an affected unit **must** approve the plan in writing.

The Mechanics

Once you **complete** a Shared Work Compensation Plan Application and a Shared Work Compensation Plan Participant List, you should forward this **package** to the Shared Work Administrative Unit. You will receive an eligibility decision within 15 working days. If approved, your Shared Work Plan will go into effect the second Sunday following the date the plan was approved.

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An Example

Instead of laying off five full time skilled employees, an employer can reduce the weekly work hours of 25 employees from five, to four days, to achieve the same 20% reduction:

- The 20% reduction would equal one workday for a full time employee.
- If a participating employee's weekly unemployment benefits were \$400, the 20% of the participating employee's reduction would entitle the employee to a Shared Work benefit of \$80, in addition to his or her weekly payroll check.

The Process

After your plan is approved, you will receive a letter with an initial supply of Participant Applications for Shared Work Benefits and other claim information for the participating employees. Participating employees complete the forms and return them to the designated employer representative who will forward them to the Shared Work Administrative Unit. An Unemployment Claims Kit is mailed directly to the employees' homes. Employees can receive up to 26 weeks of Shared Work unemployment benefits during a benefit year, however, those weeks need not be consecutive.

Little Paperwork

Employees participating in the Shared Work program can file their weekly unemployment claims either on the Internet or by telephone. Participating employees are given written instructions by the employer representative covering both methods of filing.

No Complications

As an employer you deal *directly* and *exclusively* with Shared Work Administrative Unit in Olympia, on all matters pertaining to your plan and participating employee's Shared Work unemployment claims.

Modifications

Modifying your Shared Work Plan is easy, even *after* it has been implemented. To add or delete an employee, simply complete the appropriate form contained in your Shared Work Handbook, and mail or fax it to the Shared Work Administrative Unit.

Bottom Line

The Shared Work Program "provides qualified employers a practical alternative to layoffs while keeping a skilled workforce intact." In addition, employers can "avoid the expense of recruiting, hiring, and training new employees.

Participating employees are spared the hardships of full unemployment, realizing more net income than they would, had they been fully laid off.

Employers conduct business directly and exclusively with the Shared Work Administrative Unit in Olympia.

The Shared Work Program saves jobs and money. For more information call 1-800-752-2500, fax (360) 902-9260 or email sharedwork@esd.wa.gov.

To download the Shared Work Application Package, please refer to our Internet site:
www.sharedwork.go2ui.com

A Track Record of Success

"Spectra Lux is a small aerospace manufacturing company trying to succeed during these tough economical times and the Shared Work Program has helped us. Without this program I don't know where we would be today and the program has been accepted so well with our employees."

*Scott Hudson, Human Resources
Spectra-Lux Corporation, Redmond*

"The Shared Work Unit of the Employment Security Department has enabled EZ Loader Boat Trailers to operate with little disruption of production and keep a work force satisfied during a period of economic slowdown. The Shared Work Unit tirelessly answered all of our questions and were always there to lend aid and assistance when needed."

*William D. Baker, Dir. of Human Resources & Risk Mgmt.
EZ Loader Boat Trailers, Spokane*

"The Shared Work Program has been a key reason our company has survived the recent economic slowdown. Without the flexibility of Shared Work's partial unemployment benefits, we would have lost a number of key employees. Thanks to the Shared Work Program we have been able to retain the employees needed to remain competitive, and continue with our business."

*Ted Styskel, Secretary/Treasurer
Food Facility Engineering Inc., Yakima*

"This program assisted us as an employer, and more importantly, our employees and their families during this difficult time of uncertainty. I would like to take this opportunity to thank you and your staff for all you have done for Pacific Fibre Products and its employees over the past two years. Without reservation, I can assure you without this program we risked losing several employees to layoff."

*James Bobst, Personnel/Safety Director
Pacific Fibre Products Inc., Longview*

The Employment Security Department is an equal opportunity employer and provider of programs and services. Auxiliary aids and services are available upon request to persons with disabilities. Auxiliary aids may include qualified interpreters and telecommunication devices (TTY) for hearing or speech impaired individuals. Individuals with limited English proficiency may request interpretive services free of charge to the customer in order to conduct business with the department.

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The Shared Work Program

An Alternative to Layoffs for Employers

